

111th Congress

1st Session

H. RES. ____

Providing for further consideration of the bill (H.R. 627) to amend the Truth in Lending Act to establish fair and transparent practices relating to the extension of credit under an open end consumer credit plan, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

April 29, 2009

Mr. Perlmutter, from the Committee on Rules, reported the following resolution which was referred to the House Calendar and ordered to be printed.

RESOLUTION

Providing for further consideration of the bill (H.R. 627) to amend the Truth in Lending Act to establish fair and transparent practices relating to the extension of credit under an open end consumer credit plan, and for other purposes.

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for further consideration of the bill (H.R. 627) to amend the Truth in Lending Act to establish fair and transparent practices relating to the extension of credit under an open end consumer credit plan, and for other purposes. No general debate shall be in order pursuant to this resolution. The bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Financial Services now printed in the bill. The committee amendment in the nature of a substitute shall be considered as read. All points of order against the committee amendment in the nature of a substitute are waived except those arising under clause 10 of rule XXI. Notwithstanding clause 11 of rule XVIII, no amendment to the committee amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each such amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against such amendments are waived except those arising under clause 9 or 10 of rule XXI. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

111th Congress }
1st Session }

HOUSE OF REPRESENTATIVES

{Report
{
{No. ____

Providing for further consideration of the bill (H.R. 627) to amend the Truth in Lending Act to establish fair and transparent practices relating to the extension of credit under an open end consumer credit plan, and for other purposes.

April 29, 2009. --Referred to the House Calendar and ordered to be printed

Mr. Perlmutter, from the Committee on Rules
submitted the following

REPORT

[To accompany H. Res. ____]

The Committee on Rules, having had under consideration House Resolution ____, by a non-record vote, report the same to the House with the recommendation that the resolution be adopted.

SUMMARY OF PROVISIONS OF THE RESOLUTION

The resolution provides for further consideration of H.R. 627, the "Credit Cardholders' Bill of Rights Act of 2009," under a structured rule. The resolution provides that no general debate shall be in order pursuant to this resolution. The rule provides that the amendment in the nature of a substitute recommended by the Committee on Financial Services now printed in the bill shall be considered as an original bill for the purpose of amendment and shall be considered as read. The rule waives all points of order against the amendment in the nature of a substitute except for clause 10 of rule XXI. This waiver does not affect the point of order available under clause 9 of rule XXI (regarding earmark disclosure).

The rule makes in order only those amendments printed in this report. The amendments made in order may be offered only in the order printed in this report, may be offered only by a Member designated in this report, shall be considered as read, shall be debatable for the time specified in this report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for a division of the question in the House or in the Committee of the Whole. All points of order against the amendments except for clauses 9 and 10 of rule XXI are waived. The rule provides one motion to recommit with or without instructions.

EXPLANATION OF WAIVERS

Although the rule waives all points of order against the amendment in the nature of a substitute (except for clause 10 of rule XXI), the Committee is not aware of any points of order. The waiver of all points of order is prophylactic.

COMMITTEE VOTES

The results of each record vote on an amendment or motion to report, together with the names of those voting for and against, are printed below:

Rules Committee Record Vote No. 78

Date: April 29, 2009

Measure: H.R. 627

Motion By: Mr. Dreier

Summary of Motion: To make in order and provide appropriate waivers for an amendment by Rep. Sessions (TX), #2, which would amend the Emergency Economic Stabilization Act to prohibit the Treasury Department from using TARP funds to purchase common stock in financial companies.

Results: Defeated 3-7

Vote by Member:

MCGOVERN	NAY
HASTINGS	NAY
MATSUI	NAY
CARDOZA	
ARCURI	NAY
PERLMUTTER	NAY
PINGREE	NAY
POLIS	
DREIER	YEA
DIAZ-BALART	
SESSIONS	YEA
FOXX	YEA
SLAUGHTER	NAY

Rules Committee Record Vote No. 79

Date: April 29, 2009

Measure: H.R. 627

Motion By: Mr. Sessions

Summary of Motion: To make in order and provide appropriate waivers for an amendment by Rep. Price, Tom (GA), #1, which would prevent class action lawsuits from being brought against an issuer under the legislation.

Results: Defeated 3-7

Vote by Member:

MCGOVERN	NAY
HASTINGS	NAY
MATSUI	NAY
CARDOZA	
ARCURI	NAY
PERLMUTTER	NAY
PINGREE	NAY
POLIS	
DREIER	YEA
DIAZ-BALART	
SESSIONS	YEA
FOXX	YEA
SLAUGHTER	NAY

SUMMARY OF AMENDMENTS TO BE MADE IN ORDER

- 1. Gutierrez (IL)** Would allow issuers to charge consumers for expedited payments by telephone when consumers request such an expedited payment, and would make technical corrections; would require that all credit card offers notify prospective applicants that excessive credit applications can adversely affect their credit rating; would direct the Board of Governors of the Federal Reserve to suggest appropriate guidelines for creditors to supply cardholders with information regarding the availability of legitimate and accredited credit counseling services; would require all written information, provisions, and terms in or on any application, solicitation, contract, or agreement for any credit card account under an open end consumer credit to appear in no less than 12 point font; and would require that stores who are self-issuers of credit cards display a large visible sign at counters with the same information that is required to be disclosed on the application itself. (20 minutes)
- 2. Frank (MA)** Would require the Federal Reserve 1) to review the consumer credit card market, including through solicitation of public comment, and report to Congress every two years; 2) publish a summary of this review in the Federal Register, along with proposed regulatory changes (or an explanation for why no such changes are proposed). The amendment also requires the Federal banking agencies and the FTC to submit to the Federal Reserve, for inclusion in the Federal Reserve's annual report to Congress, information about the agencies' supervisory and enforcement activities related to credit card issuers' compliance with consumer protection laws. (10 minutes)
- 3. Slaughter (NY)/
Duncan (TN)/
Hastings, Alcee
(FL)/
Johnson (GA)/
Christensen (VI)** Would set underwriting standards for students' credit cards, including limiting credit lines to the greater of 20 percent of a student's annual income or \$500, without a co-signer and requiring creditors to obtain a proof of income, income history, and credit history from college students before approving credit applications. (10 minutes)
- 4. Gutierrez (IL)/
Peters, Gary (MI)/
Edwards, Donna
(MD)** Would require credit card issuers to allocate payments in excess of the minimum payment to the portion of the remaining balance with the highest outstanding APR first, and then to any remaining balances in descending order, eliminating the pro rata option. (10 minutes)
- 5. Pingree, Chellie
(ME)** Would require the Chair of the Federal Reserve to submit a report on the level of implementation of this bill every 90 days until the Chair can report full industry implementation. (10 minutes)

- | | | |
|--|---|--------------|
| 6. Polis (CO) | Would clarify that minors are allowed to have a credit card in their name on their parent or legal guardian's account. | (10 minutes) |
| 7. Jones (NC) | Would require the Federal Reserve Board, in consultation with the Federal Trade Commission and other agencies, to establish regulations that would allow estate administrators to resolve outstanding credit balances in a timely manner. | (10 minutes) |
| 8. Maloney (NY)/
Watson (CA) | Would require credit cardholders to opt-into receiving over-the-limit protection on their credit card in order for a credit card company to charge an over-the-limit fee. Allows for transactions that go over the limit to be completed for operational reasons as long as they are of a de minimis amount, but the credit card company is not allowed to charge a fee. | (10 minutes) |
| 9. Hensarling (TX) | Would allow issuers to raise rates on existing balances if they provide consumers clear notification 90 days in advance, provided that the issuer has previously specified this ability to consumers in their contract and at least once every year thereafter. | (10 minutes) |
| 10. Hensarling (TX) | Would allow creditors to use retroactive rate increases, universal default, and 'double cycle billing' practices as long as they offer at least one card option that does not have those billing features to all of their existing customers. | (10 minutes) |
| 11. Minnick (ID) | Would provide that the amount of a balance as of the 7-day mark, instead of the 14-day mark, following a notice of a rate increase would be protected from the rate increase. | (10 minutes) |
| 12. Price, David (NC)/
Miller, Brad (NC)/
Moran, James (VA)/
Quigley (IL)/
Lowey (NY)/
Stupak (MI)/
Sutton (OH) | Would require credit card issuers to provide enhanced disclosure to consumers regarding minimum payments, including a written Minimum Payment Warning statement on all monthly statements as well as information regarding the monthly payment amount and total cost that would be required for the consumer to eliminate the outstanding balance in 12, 24 and 36. Would require credit card issuers to provide a toll-free telephone number at which the consumer may receive information about accessing credit counseling and debt management services. | (10 minutes) |
| 13. Davis, Susan (CA)/
Carney (PA) | Would require card issuers to notify cardholders 30 days before closing their accounts, the reason for the account closure, options to keep the account open, programs available to repay the balance, and the resulting impact on their credit score. | (10 minutes) |
| 14. Perriello (VA) | Would require a 6-month period for a promotional rate for credit cards before the standard rate may be increased. | (10 minutes) |
| 15. Schauer (MI) | Would require creditors to post their credit card written agreements on their websites, and requires the Board to compile and report those agreements on its website. | (10 minutes) |

- 16. Teague, Harry (NM)/
Nye (VA)/
Boccieri (OH)/
Kissell, Larry (NC)** Would restrict credit card issuers from making adverse reports to credit rating agencies regarding deployed military service members and disabled veterans during the first two years of their disability. (10 minutes)
- 17. Schock (IL)** Would allow consumers who have not activated an issued credit card within 45 days, to contact the issuing institution to cancel the card and have it removed from their credit report entirely. If after 45 days the card has not been activated it is automatically removed from any such report. (10 minutes)

TEXT OF AMENDMENTS TO BE MADE IN ORDER

1. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE
Gutierrez OF Illinois, OR HIS
DESIGNEE, DEBATABLE FOR 20 MINUTES:

3rd revision

30

**AMENDMENT TO H.R. 627, AS REPORTED
OFFERED BY MR. GUTIERREZ OF ILLINOIS**

At the end of section 3, insert the following new sub-
section:

1 (i) AVAILABILITY OF LEGITIMATE AND ACCREDITED
2 CREDIT COUNSELING.—The Board of Governors of the
3 Federal Reserve System shall suggest appropriate guide-
4 lines for creditors to follow with respect to credit card ac-
5 counts under open end consumer credit plans to supply
6 consumer cardholders with information regarding the
7 availability of legitimate and accredited credit counseling
8 services.

Strike section 8 of the bill and insert the following
new sections (and redesignate succeeding sections accord-
ingly):

9 **SEC. 8. PROHIBIT FEES FOR PAYMENT ON CREDIT CARD**
10 **ACCOUNTS BY TELEPHONE OR ELECTRONIC**
11 **FUND TRANSFERS.**

12 Section 164 of the Truth in Lending Act (15 U.S.C.
13 1666c) is amended—

14 (1) by striking “Payments received” and insert-
15 ing “(a) IN GENERAL.—Payments received”; and

1 (2) by adding at the end the following new sub-
2 section:

3 “(b) PAYMENT FEES.—

4 “(1) PROHIBITION ON FEE BASED ON MODE OF
5 PAYMENT.—Except as provided in paragraph (2), in
6 the case of a credit card account under an open end
7 consumer credit plan, a creditor may not impose a
8 fee on the obligor based on the particular manner in
9 which the obligor makes a payment on such account.

10 “(2) EXCEPTION.—If the obligor requests to
11 make an expedited payment on a credit card account
12 under an open end consumer credit plan by tele-
13 phone on the date that a payment is due, or the day
14 immediately preceding such date, the creditor may
15 assess a fee for crediting the payment to the obli-
16 gor’s account on or by such date.”.

17 **SEC. 9. SOLICITATIONS REQUIRED TO INCLUDE WARNING**
18 **ON ADVERSE EFFECTS OF EXCESSIVE CRED-**
19 **IT INQUIRIES.**

20 Section 127(c)(1)(B) of the Truth in Lending Act
21 (15 U.S.C. 1637(c)(1)(B)) is amended by adding at the
22 end the following new clause:

23 “(iv) EXCESSIVE CREDIT INQUIR-
24 IES.—A warning that excessive credit in-
25 quires, which occur in connection with

1 , credit applications and solicitations and
2 under other circumstances, can have an
3 adverse effect on a consumer credit
4 score.”.

5 **SEC. 10. READABILITY REQUIREMENT.**

6 Section 122 of the Truth in Lending Act (U.S.C.
7 1632) is amended by adding at the end the following new
8 subsection:

9 “(d) MINIMUM TYPE-SIZE AND FONT REQUIREMENT
10 FOR CREDIT CARD APPLICATIONS AND DISCLOSURES.—

11 All written information, provisions, and terms in or on any
12 application, solicitation, contract, or agreement for any
13 credit card account under an open end consumer credit
14 plan, and all written information included in or on any
15 disclosure required under this chapter with respect to any
16 such account, shall appear—

17 “(1) in not less than 12-point type; and

18 “(2) in any font other than a font which the
19 Board has designated, in regulations under this sec-
20 tion, as a font that inhibits readability.”.

Insert at the end the following new section:

1 **SEC. 13. DISCLOSURE REQUIREMENT FOR STORES ACCEPT-**
2 **ING CREDIT CARD ACCOUNT APPLICATIONS.**

3 (a) IN GENERAL.—Section 122 of the Truth in Lend-
4 ing Act (15 U.S.C. 1632) is amended by adding at the
5 end the following:

6 “(d) SIGNS REQUIRED ON CERTAIN PREMISES
7 WHERE CREDIT CARD ACCOUNT APPLICATIONS ACCEPT-
8 ED.—

9 “(1) IN GENERAL.—A person who sells personal
10 property to consumers on a business premises and
11 makes available to consumers on such premises any
12 application to open a credit card account under an
13 open end consumer credit plan, and where such per-
14 son is the issuer of such account, shall display in the
15 premises on a sign any information that is subject
16 to subsection (c) and that is required to be disclosed
17 by the person on that application.

18 “(2) FORMAT.—Such information shall be dis-
19 played on the sign in the form and manner which
20 the Board shall prescribe by regulations and which,
21 to the extent practicable and appropriate, shall be
22 consistent with the form and manner required for
23 the disclosure of such information on the credit card
24 application.

25 “(3) SIGN PLACEMENT.—Such signs shall be
26 conspicuously placed at each location on the prem-

1 ises where the credit card application may be sub-
2 mitted by the consumer.”.

3 (b) CONFORMING AMENDMENT.—Section 111(e) of
4 the Truth in Lending Act (15 U.S.C. 1610(e)) is amended
5 by adding at the end the following:

6 “Section 122(d) shall supersede State laws relating
7 to store display of the information that is subject to the
8 requirements of such section, except that any State may
9 employ or establish State laws for the purpose of enforcing
10 the requirements of such section.”.



2. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE
Frank OF Massachusetts, OR His
DESIGNEE, DEBATABLE FOR 10 MINUTES:

2nd
Revised # 25

**AMENDMENT TO H.R. 627, AS REPORTED
OFFERED BY MR. FRANK OF MASSACHUSETTS**

After section 8, insert the following new section (and
redesignate subsequent sections accordingly):

1 **SEC. 9. BOARD REVIEW OF CONSUMER CREDIT PLANS AND**
2 **REGULATIONS.**

3 (a) **REQUIRED REVIEW.**—Not later than 2 years
4 after the effective date of this Act and every 2 years there-
5 after, except as provided in subsection (c)(2), the Board
6 shall conduct a review of the consumer credit card market
7 including—

8 (1) the terms of credit card agreements and the
9 practices of credit card issuers;

10 (2) the effectiveness of disclosure of terms, fees,
11 and other expense of credit card plans;

12 (3) the adequacy of protections against unfair
13 or deceptive acts or practices relating to credit card
14 plans, and

15 (4) whether or not, and to what extent, the
16 Credit Cardholders' Bill of Rights Act of 2009 has
17 resulted in—

18 (A) higher annual percentage rates of in-
19 terest, on average, for credit card users than

within the
limits of
its existing
resources
available
for report-
ing purpose

1 the average of such rates of interest in effect
2 before the effective date of the Act;

3 (B) the imposition of annual fees or other
4 credit card fees—

5 (i) that did not exist before such ef-
6 fective date;

7 (ii) at a higher average rate of appli-
8 cability than existed before such effective
9 date; or

10 (iii) with higher average costs to the
11 consumer than were in effect before such
12 effective date;

13 (C) an increase in the rate of denial of—

14 (i) new credit card accounts for con-
15 sumers; or

16 (ii) new extensions of credit, or addi-
17 tional lines of credit, for existing credit ac-
18 counts established before such effective
19 date; or

20 (D) any other adverse or negative condi-
21 tion or effect on consumers.

22 (b) SOLICITATION OF PUBLIC COMMENT.—In con-
23 nection with conducting the review required by subsection

24 (a), the Board shall solicit comment from consumers, cred-

1 it card issuers, and other interested parties, such as
2 through hearings or written comments.

3 (c) REGULATIONS.—

4 (1) NOTICE.—Following the review required by
5 subsection (a) the Board shall publish a notice in
6 the Federal Register that—

7 (A) summarizes the review, the comments
8 received from the public solicitation, and other
9 evidence gathered by the Board such as through
10 consumer testing or other research; and

11 (B) either—

12 (i) proposes new or revised regulations
13 or interpretations to update or revise dis-
14 closures and protections for consumer
15 credit cards as appropriate; or

16 (ii) states the reason for the Board's
17 determination that new or revised regula-
18 tions are not proposed.

19 (2) REVISION OF REVIEW PERIOD FOLLOWING
20 MATERIAL REVISION OF REGULATIONS.—In the
21 event the Board materially revises regulations on
22 consumer credit card plans, a review need not be
23 conducted until 2 years following the effective date
24 of the revised regulations, which thereafter shall be-

1 come the new date for the biennial review required
2 by subsection (a).

3 (d) BOARD REPORT TO THE CONGRESS.—The Board
4 shall report to the Congress no less frequently than every
5 2 years, except as provided in subsection (c)(2), on the
6 status of its most recent review, its efforts to address any
7 issues identified from the review, and any recommenda-
8 tions for legislation.

9 (e) ADDITIONAL REPORTING.—The Federal banking
10 agencies and the Federal Trade Commission shall provide
11 annually to the Board, and the Board shall include in its
12 annual report to Congress under section 10 of the Federal
13 Reserve Act, information about the supervisory and en-
14 forcement activities of the agencies with respect to credit
15 card issuers' compliance with applicable Federal consumer
16 protection statutes and regulations including—

17 (1) this Act, the amendments made by this Act,
18 and regulations prescribed under this Act and such
19 amendments; and

20 (2) section 5 of the Federal Trade Commission
21 Act, and regulations prescribed under the Federal
22 Trade Commission Act, such as part 227 of title 12
23 of the Code of Federal Regulations as prescribed by
24 the Board (Regulation AA).



3. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE
Slaughter OF New York, OR Her
DESIGNEE, DEBATABLE FOR 10 MINUTES:

**AMENDMENT TO H.R. 627, AS REPORTED
OFFERED BY MS. SLAUGHTER OF NEW YORK**

In that portion of section 7 that precedes the amendment adding a new paragraph (8), strike “paragraph” and insert “paragraphs”.

At the end of the paragraph (8) added by the amendment made by section 7, strike the closing quotation marks and the 2nd period.

After paragraph (8) of section 127(c) of the Truth in Lending Act (as added by the amendment made by section 7), insert the following new paragraph:

1 “(9) PROVISIONS APPLICABLE WITH REGARD
2 TO THE ISSUANCE OF CREDIT CARDS TO FULL-TIME,
3 TRADITIONAL-AGED COLLEGE STUDENTS.—

4 “(A) DEFINITIONS.—For purposes of this
5 paragraph, the following definitions shall apply:

6 “(i) COLLEGE STUDENT CREDIT CARD
7 ACCOUNT DEFINED.—The term ‘college
8 student credit card account’ means a credit
9 card account under an open end consumer

1 credit plan established or maintained for or
2 on behalf of any college student.

3 “(ii) COLLEGE STUDENT.—The term
4 ‘college student’ means an individual—

5 “(I) who is a full-time student
6 attending an institution of higher edu-
7 cation; and

8 “(II) who has attained the age of
9 18 and has not yet attained the age of
10 21.

11 “(iii) INSTITUTION OF HIGHER EDU-
12 CATION.—The term ‘institution of higher
13 education’ has the same meaning as in sec-
14 tion 101(a) of the Higher Education Act of
15 1965 (20 U.S.C. 1001(a)).

16 “(B) MAXIMUM AMOUNT LIMITATION AS A
17 PERCENTAGE OF GROSS INCOME.—Unless a
18 parent, legal guardian, or spouse of a college
19 student assumes joint liability for debts in-
20 curred by the student in connection with a col-
21 lege student credit card account—

22 “(i) the amount of credit which may
23 be extended by any one creditor to the full-
24 time college student may not exceed, dur-
25 ing any full calendar year, the greater of—

1 “(I) 20 percent of the annual
2 gross income of the student; or

3 “(II) \$500; and

4 “(ii) no creditor shall grant a student
5 a credit card account, if the credit limit for
6 that credit card account, combined with
7 the credit limits of any other credit card
8 accounts held by the student, would exceed
9 30 percent of the annual gross income of
10 the student in the most recently completed
11 calendar year.

12 “(C) PARENTAL APPROVAL REQUIRED TO
13 INCREASE CREDIT LINES FOR ACCOUNTS FOR
14 WHICH PARENT IS JOINTLY LIABLE.—No in-
15 crease may be made in the amount of credit au-
16 thorized to be extended under a college student
17 credit card account for which a parent, legal
18 guardian, or spouse of the consumer has as-
19 sumed joint liability for debts incurred by the
20 consumer in connection with the account, before
21 the consumer attains the age of 21, with re-
22 spect to such consumer, unless the parent,
23 guardian, or spouse of the consumer, as appli-
24 cable, approves in writing, and assumes joint li-
25 ability for, such increase.

1 “(D) INCOME VERIFICATION.—For pur-
2 poses of this paragraph, a creditor shall require
3 adequate proof of income, income history, and
4 credit history, subject to the rules of the Board,
5 before any college student credit card account
6 may be opened by or on behalf of a student.

7 “(E) PROHIBITION ON MORE THAN 1
8 CREDIT CARD ACCOUNT FOR ANY COLLEGE
9 STUDENT.—No creditor may open a credit card
10 account for, or issue any credit card to, any col-
11 lege student who—

12 “(i) has no verifiable annual gross in-
13 come; and

14 “(ii) already maintains a credit card
15 account under an open end consumer cred-
16 it plan with that creditor, or any affiliate
17 thereof.

18 “(F) EXEMPTION AUTHORITY.—The
19 Board may, by rule, provide for exemptions to
20 the provisions of this paragraph, as deemed
21 necessary or appropriate by the Board, con-
22 sistent with the purposes of this paragraph.”.



4. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE
Gutierrez OF Illinois, OR His
DESIGNEE, DEBATABLE FOR 10 MINUTES:

Gutierrez/Peters

29

AMENDMENT TO H.R. 627, AS REPORTED**OFFERED BY MR. *Gutierrez & Mr. Peters***

In paragraph (1) of subsection (j) of section 127B of the Truth in Lending Act (as added by section 3(f) of the bill) strike “minimum payment shall be applied”, where such term appears in the matter preceding subparagraph (A), and all that follows through the end of subparagraph (B) of such paragraph and insert “minimum payment shall be allocated first to the balance with the highest annual percentage rate and any remaining portion is allocated to any other balance in descending order, based on the applicable annual percentage rate each portion of such balance bears, from the highest such rate to the lowest”.



5. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE
Pingree OF Maine, OR Her
DESIGNEE, DEBATABLE FOR 10 MINUTES:

AMENDMENT TO H.R. 627, AS REPORTED
OFFERED BY MS. PINGREE OF MAINE

After section 9, insert the following new section (and
redesignate the subsequent section accordingly):

1 SEC. 10. INTERIM IMPLEMENTATION REPORTS TO THE
2 CONGRESS.

3 The Chairman of the Board of Governors of the Fed-
4 eral Reserve System shall submit a report each 90 days
5 after the date of the enactment of this Act on the level
6 of implementation of the regulations required to be pre-
7 scribed under this Act to the Committee on Financial
8 Services of the House of Representatives and the Com-
9 mittee on Banking, Housing, and Urban Affairs of the
10 Senate until the Chairman can report full industry imple-
11 mentation.



6. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE
Polis OF Colorado, OR HIS
DESIGNEE, DEBATABLE FOR 10 MINUTES:

AMENDMENT TO H.R. 627, AS REPORTED
OFFERED BY MR. POLIS OF COLORADO

In subparagraph (A) of the new paragraph (8) added to section 127(c) of the Truth in Lending Act by section 7 of the bill, insert “or the parent or legal guardian of such consumer is designated as the primary account holder” before the period at the end.



7. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE
Jones OF North Carolina, OR HIS
DESIGNEE, DEBATABLE FOR 10 MINUTES:

**AMENDMENT TO H.R. 627, AS REPORTED
OFFERED BY MR. JONES OF NORTH CAROLINA**

After section 9, insert the following new section (and
redesignate the subsequent sections accordingly):

1 SEC. 9. PROCEDURE FOR TIMELY SETTLEMENTS OF DECE-
2 DENT OBLIGORS' ESTATES.

3 (a) IN GENERAL.—Chapter 2 of the Truth in Lend-
4 ing Act (U.S.C. 1631 et seq.) is amended by adding at
5 the end the following new section:

6 “§ 140A Procedure for timely settlements of decedent
7 obligors' estates

8 “The Board, in consultation with the Federal Trade
9 Commission and each other agency referred to in section
10 108(a), shall prescribe regulations to require any creditor,
11 with respect to any credit card account under an open end
12 consumer credit plan, to establish procedures to ensure
13 that any administrator of an estate of any deceased obli-
14 gor with respect to such account can resolve outstanding
15 credit balances in a timely manner.”.

16 (b) CLERICAL AMENDMENT.—The table of sections
17 for chapter 2 of the Truth in Lending Act is amended

1 by inserting after the item relating to section 140 the fol-

2 lowing new item:

"140A. Procedure for timely settlements of decedent obligors' estates."



8. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE
Maloney OF New York, OR Her
DESIGNEE, DEBATABLE FOR 10 MINUTES:

AMENDMENT TO H.R. 627, AS REPORTED

OFFERED BY Mrs. Maloney of New York and
Ms. Watson of California

Strike out subsection (m) of section 127B of the

Truth in Lending Act (as added by section 4 of the bill)

and insert the following new subsection:

1 “(m) OPT-IN REQUIRED FOR OVER-THE-LIMIT
2 TRANSACTIONS IF FEES ARE IMPOSED.—

3 “(1) IN GENERAL.—In the case of any credit
4 card account under an open end consumer credit
5 plan under which an over-the-limit-fee may be im-
6 posed by the creditor for any extension of credit in
7 excess of the amount of credit authorized to be ex-
8 tended under such account, no such fee shall be
9 charged unless the consumer has elected to permit
10 the creditor, with respect to such account, to com-
11 plete transactions involving the extension of credit,
12 with respect to such account, in excess of the
13 amount of credit authorized.

14 “(2) DISCLOSURE BY CREDITOR.—No election
15 by a consumer under paragraph (1) shall take effect
16 unless the consumer, before making such election,
17 received a notice from the creditor of any over-the-

1 limit fee in the form and manner, and at the time,
2 determined by the Board.'

3 "(3) FORM OF ELECTION.—A consumer may
4 make the election referred to in paragraph (1) orally
5 or in writing.

6 "(4) TIME OF ELECTION.—A consumer may
7 make the election referred to in paragraph (1) at
8 any time and it shall be effective until the election
9 is revoked by the consumer orally or in writing.

10 "(5) REGULATIONS.—

11 "(A) IN GENERAL.—The Board shall issue
12 regulations allowing for the completion of over-
13 the-limit transactions that for operational rea-
14 sons exceed the credit limit by a de minimis
15 amount, even where the cardholder has not
16 made an election under paragraph (1).

17 "(B) SUBJECT TO NO FEE LIMITATION.—
18 The regulations prescribed under subparagraph
19 (A) shall not allow for the imposition of any fee
20 or any rate increase based on the permitted
21 over-the-limit transactions with respect to the
22 account of any cardholder who has not made
23 the election in paragraph (1).

1 “(C) DISCLOSURES.—The Board shall pre-
2 scribe regulations governing any disclosure
3 under this subsection.”.



9. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE
Hensarling OF Texas, OR His
DESIGNEE, DEBATABLE FOR 10 MINUTES:

**AMENDMENT TO H.R. 627, AS REPORTED
OFFERED BY MR. HENSARLING OF TEXAS**

In subsection (b) of section 127B of the Truth in Lending Act (as added by section 2(b) of the bill), insert after subparagraph (D) the following new subparagraph:

1 “(E) TRANSPARENT ADVANCED NOTICE OF
2 RATE INCREASE.—Notification of the increase
3 is provided to the consumer in writing, in clear
4 and conspicuous language, at least 90 days be-
5 fore the increase is scheduled to take effect,
6 provided that the applicability of this exception
7 is fully described to the consumer in their con-
8 tract and at least once annually thereafter, in
9 a clear and conspicuous manner.”.



10. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE
Hensarling OF Texas, OR HIS
DESIGNEE, DEBATABLE FOR 10 MINUTES:

**AMENDMENT TO H.R. 627, AS REPORTED
OFFERED BY MR. HENSARLING OF TEXAS**

In subsection (b) of section 127B of the Truth in Lending Act (as added by section 2(b) of the bill), insert the following new paragraph after paragraph (1) (and redesignate the subsequent paragraphs accordingly):

1 “(2) NONAPPLICABILITY TO CERTAIN CREDI-
2 TORS WHO MAKE AVAILABLE ALTERNATIVE CARD
3 OPTIONS.—The limitations on retroactive rate in-
4 creases and universal default shall not apply to any
5 creditor that offers a credit card account to con-
6 sumers under an open end consumer credit plan to
7 the extent such creditor—

8 “(A) makes at least 1 credit card option
9 available to 100 percent of the creditor’s exist-
10 ing consumers that does not feature retroactive
11 rate increases or universal default billing prac-
12 tice; and

13 “(B) provides clear and conspicuous notice
14 of the availability of a credit card option re-
15 ferred to in subparagraph (A) to the consumer
16 customers of such creditor at least once annu-
17 ally.”.

In subsection (e) of section 127B of the Truth in Lending Act (as added by section 3(a) of the bill), insert after paragraph (3) the following new paragraph:

1 “(4) NONAPPLICABILITY TO CERTAIN CREDI-
2 TORS WHO MAKE AVAILABLE ALTERNATIVE CARD
3 OPTIONS.—The limitation on double cycle billing
4 shall not apply to any creditor that offers a credit
5 card account to consumers under an open end con-
6 sumer credit plan to the extent such creditor—

7 “(A) makes at least 1 credit card option
8 available to 100 percent of the creditor’s exist-
9 ing consumers that does not feature double
10 cycle billing; and

11 “(B) provides clear and conspicuous notice
12 of the availability of a credit card option re-
13 ferred to in subparagraph (A) to the consumer
14 customers of such creditor at least once annu-
15 ally.”.



11. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE
Minnick OF Idaho, OR HIS
DESIGNEE, DEBATABLE FOR 10 MINUTES:

AMENDMENT TO H.R. 627, AS REPORTED

OFFERED BY Mr. Minnick (Idaho)

In paragraph (2) of section 127B(a) of the Truth in Lending Act (as added by section 2(a) of the bill, strike "14th" and insert "7th").



12. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE
David Price OF North Carolina, OR H is
DESIGNEE, DEBATABLE FOR 10 MINUTES:

AMENDMENT TO H.R. 627, AS REPORTED**OFFERED BY Mr. Price of NC. (et. Al.)**

After section 8, insert the following new section (and redesignate subsequent sections accordingly):

1 **SEC. 9. ENHANCED MINIMUM PAYMENT DISCLOSURES.**

2 Paragraph (11) of section 127(b) of the Truth in
3 Lending Act (15 U.S.C. 1637(b)(11)) is amended to read
4 as follows:

5 “(11) MINIMUM PAYMENT DISCLOSURES.—

6 “(A) MINIMUM PAYMENT WARNING.—A
7 written statement in the following form: ‘Min-
8 imum Payment Warning: Making only the min-
9 imum payment will increase the interest you
10 pay and the time it takes to repay your bal-
11 ance.’.

12 “(B) INFORMATION ON OUTSTANDING
13 BALANCE.—Not less than once per calendar
14 quarter, such billing statement shall also in-
15 clude repayment information that would apply
16 to the outstanding balance of the consumer
17 under the credit plan, including—

18 “(i) the number of months (rounded
19 to the nearest month) that it would take to

1 pay the entire amount of that balance, if
2 the consumer pays only the required min-
3 imum monthly payments and if no further
4 advances are made;

5 “(ii) the total cost to the consumer,
6 including interest payments, of paying that
7 balance in full, if the consumer pays only
8 the required minimum monthly payments
9 and if no further advances are made;

10 “(iii) the monthly payment amount
11 that would be required for the consumer to
12 eliminate the outstanding balance in 12
13 months, 24 months, and 36 months, if no
14 further advances are made, and the total
15 cost to the consumer, including interest
16 and principal payments, of paying that bal-
17 ance in full if the consumer pays the bal-
18 ance over 12, 24, or 36 months, respec-
19 tively; and

20 “(iv) a toll-free telephone number at
21 which the consumer may receive informa-
22 tion about accessing credit counseling and
23 debt management services.

24 “(C) EXCEPTION TO REQUIREMENTS OF
25 SUBSECTION (B).—The quarterly disclosure re-

1 quirements in subsection (B) shall not apply
2 with respect to—

3 “(i) a calendar quarter if, in the 2
4 consecutive billing cycles preceding the end
5 of such quarter, a consumer has paid the
6 entire balance of the bill in full;

7 “(ii) a calendar quarter if, at the end
8 of the calendar quarter, a consumer has an
9 outstanding credit balance of zero or has a
10 positive credit; or

11 “(iii) any class of consumers for which
12 the Board has determined will not benefit
13 substantially from additional disclosures.

14 “(D) APPLICABLE RATES TO BE USED IN
15 DISCLOSURES.—

16 “(i) IN GENERAL.—Subject to clause
17 (ii), in making the disclosures under sub-
18 paragraph (B), the creditor shall apply the
19 interest rate or rates in effect on the date
20 on which the disclosure is made until the
21 date on which the balance would be paid in
22 full.

23 “(ii) SPECIAL RULE IN CASE OF TEM-
24 PORARY RATE.—If the interest rate in ef-
25 fect on the date on which the disclosure is

1 made is a temporary rate that will change
2 under a contractual provision applying an
3 index or formula for subsequent interest
4 rate adjustment, the creditor shall apply
5 the interest rate in effect on the date on
6 which the disclosure is made for as long as
7 that interest rate will apply under that
8 contractual provision, and then apply an
9 interest rate based on the index or formula
10 in effect on the applicable billing date.

11 “(E) FORM AND PROMINENCE OF DISCLO-
12 SURE.—All of the information described in sub-
13 paragraph (B) shall—

14 “(i) be disclosed in the form and man-
15 ner which the Board shall prescribe, by
16 regulation, and in a manner that avoids
17 duplication; and

18 “(ii) be placed in a conspicuous and
19 prominent location on the billing statement
20 in conspicuous typeface.

21 “(F) TABULAR FORMAT.—In the regula-
22 tions prescribed under subparagraph (D), the
23 Board shall require that the disclosure of such
24 information shall be in the form of a table
25 that—

1 “(i) contains clear and concise head-
2 ings for each item of such information; and

3 “(ii) provides a clear and concise form
4 stating each item of information required
5 to be disclosed under each such heading.

6 “(G) LOCATION AND ORDER OF TABLE.—

7 In prescribing the form of the table under sub-
8 paragraph (E), the Board shall require that—

9 “(i) all of the information in the table,
10 and not just a reference to the table, be
11 placed on the billing statement, as required
12 by this paragraph; and

13 “(ii) the items required to be included
14 in the table shall be listed in the order in
15 which such items are described in subpara-
16 graph (B).

17 “(H) SUBSTITUTION OF TERMINOLOGY.—

18 In prescribing the form of the table under sub-
19 paragraph (D), the Board may employ termi-
20 nology which is different than the terminology
21 used in subparagraph (B), if such terminology
22 is more easily understood and conveys substan-
23 tially the same meaning.

24 “(I) ‘ROUNDING’ REGULATIONS.—For pur-
25 poses of determining whether an error in the

1 disclosures required by subparagraph (B) con-
2 stitutes a legal cause of action against a cred-
3 itor or any other party, the standard referred to
4 under the heading 'Rounding assumed pay-
5 ments, current balance and interest charges to
6 the nearest cent' in the publication by the
7 Board in the *Federal Register* (74 F.R. 5385)
8 on January 29, 2009, of the final regulation re-
9 vising part 226 of title 12 of the Code of Fed-
10 eral Regulations (Regulation Z), or a standard
11 that affords substantially similar protections as
12 determined by the Board, shall apply for pur-
13 poses of the determination with regard to such
14 disclosures.".



13. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE
Susan Davis OF California, OR Her
DESIGNEE, DEBATABLE FOR 10 MINUTES:

**AMENDMENT TO H.R. 627, AS REPORTED
OFFERED BY MRS. DAVIS OF CALIFORNIA**

Insert after section 127B(c) of the Truth in Lending Act (as added by section 2(c) of the bill) the following new subsection (and redesignate succeeding subsections accordingly):

1 “(d) ADVANCE NOTICE OF ACCOUNT CLOSURE.—

2 “(1) IN GENERAL.—In the case of any credit
3 card account under an open end consumer credit
4 plan, a creditor may not close such account unless
5 the creditor provides a written notice to the con-
6 sumer at least 30 days before the closure takes
7 place, and which notifies the consumer—

8 “(A) of the reason the account is being
9 closed;

10 “(B) of any recourse that the consumer
11 may take to prevent the account from being
12 closed;

13 “(C) of any program under which the con-
14 sumer may repay the balance on the account
15 over a period of time; and

1 “(D) that if the consumer’s account is
2 closed, it may have an impact on the con-
3 sumer’s credit score.

4 “(2) EXCEPTION.—The requirements of para-
5 graph (1) shall not apply in the case of a consumer
6 request that the creditor close such account.”.



14. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE
Perriello OF Virginia, OR His
DESIGNEE, DEBATABLE FOR 10 MINUTES:

12

AMENDMENT TO H.R. 627, AS REPORTED

OFFERED BY MR. PERRIELLO

In subsection (c) of section 127B of the Truth in Lending Act (as added by section 2(c) of the bill) insert after paragraph (2) the following new paragraph:

1 (3) MINIMUM TERM FOR PROMOTIONAL
2 RATES.—In the case of a promotional rate, no writ-
3 ten notice under paragraph (1) of an increase in any
4 annual percentage rate of interest on any credit card
5 account under an open end consumer credit plan
6 shall be effective before the end of a 6-month period
7 beginning from the date the promotional rate takes
8 effect.



15. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE
Schauer OF Michigan, OR HIS
DESIGNEE, DEBATABLE FOR 10 MINUTES:

AMENDMENT TO H.R. 627, AS REPORTED
OFFERED BY MR. SCHAUER

After section 8, insert the following new section (and redesignate the subsequent sections accordingly):

1 **SEC. 9. POSTING INFORMATION ON THE INTERNET.**

2 Section 122 of the Truth in Lending Act (U.S.C.
3 1632) is amended by adding at the end the following new
4 subsection:

5 “(d) INTERNET POSTING OF CREDIT CARD AGREE-
6 MENTS.—

7 “(1) POSTING AGREEMENTS.—A creditor shall
8 establish and maintain an Internet site on which the
9 creditor will post the written agreement between the
10 creditor and the consumer for each open-end con-
11 sumer credit plan not secured by a dwelling that has
12 a credit card feature.

13 “(2) PROVIDING COPY OF CONTRACTS TO THE
14 BOARD.—A creditor shall provide to the Board in
15 electronic format, the consumer credit card agree-
16 ments that the creditor publishes on the creditor’s
17 Internet site.

18 “(3) RECORD REPOSITORY.—The Board shall
19 establish and maintain on its publically available

Internet site a central repository of the consumer credit card agreements received from the creditors pursuant to this subsection and such agreements shall be easily accessible and retrievable.

“(4) EXCEPTION.—Paragraphs (1) and (2) shall not apply to individually negotiated changes to contractual terms, such as individually-modified workouts or renegotiations of amounts owed by a consumer under an open end consumer credit plan.

“(5) REGULATIONS.—The Board, in consultation with the other agencies described in section 108 and the Federal Trade Commission, may prescribe regulations to implement this subsection, including—

“(A) specifying the format for posting the agreements on the creditor’s Internet site; and

“(B) establishing exceptions to paragraphs (1) and (2) in cases where the administrative burden outweighs the benefit of increased transparency, such as where a credit card plan has a de minimis number of consumer account holders”.



16. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE
Teague OF New Mexico, OR HIS
DESIGNEE, DEBATABLE FOR 10 MINUTES:

**AMENDMENT TO H.R. 627, AS REPORTED
OFFERED BY MR. TEAGUE OF NEW MEXICO**

After section 8, insert the following new section (and
redesignate subsequent sections accordingly):

**1 SEC. 9. REGULATIONS RELATING TO ACTIVE DUTY MILI-
2 TARY CONSUMERS AND RECENTLY DISABLED
3 VETERANS.**

4 Section 127B of the Truth in Lending Act is amend-
5 ed by inserting after subsection (p) (as added by section
6 6) the following new subsection:

7 “(q) REGULATIONS RELATING TO ACTIVE DUTY
8 MILITARY CONSUMERS AND RECENTLY DISABLED VET-
9 ERANS.—In the case of any credit card account, under an
10 open end consumer credit plan, held by any veteran receiv-
11 ing compensation for a service-connected disability (as
12 such terms are defined in section 101 of title 38, United
13 States Code) that occurred less than 2 years before or any
14 active duty military consumer (as defined in section
15 603(q)(2) of this Act) , the Board shall prescribe regula-
16 tions that prohibits the creditor with respect to such ac-
17 count from making adverse reports to any consumer re-
18 porting agency with respect while the consumer maintains

1 status as such a veteran or as an active duty military con-
2 sumer.”.



17. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE
Schock OF Illinois, OR His
DESIGNEE, DEBATABLE FOR 10 MINUTES:

**AMENDMENT TO H.R. 627, AS REPORTED
OFFERED BY MR. SCHOCK OF ILLINOIS**

In the subsection heading for section 3(d), strike “BEFORE” and insert “AFTER”.

In the subsection heading of subsection (h) of section 127B of the Truth in Lending Act (as added by section 3(d)), strike “BEFORE” and insert “AFTER”.

In paragraph (1) of section 127B(h) of the Truth in Lending Act (as added by section 3(d))—

(1) strike “may not furnish any information to” and insert “shall remove any information furnished to”; and

(2) strike “until the credit card has been used or activated by the consumer” and insert “if the consumer has not used or activated the account and the consumer contacts the creditor within 45 days of the establishment of the account to close the account”.

